CIO Issues

Interview: ExxonMobil V.P. Patricia C. Hewlett

By Pam Baker
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At ExxonMobil, I.T. plays a huge role in monitoring and assessing the changing demands on the company's work force, said Patricia C. Hewlett. "Our size has enabled us to take a fundamentally different approach than other companies," she said. "Instead of outsourcing, we have developed our own centers of expertise around the world."

Sitting at the I.T. helm of the world's largest publicly traded energy company is Patricia C. Hewlett, vice president of ExxonMobil's Global Information Services organization. ExxonMobil operates in about 200 countries and territories. The company counted $25.3 billion in net income

for 2004; it hasn't finished counting the billions for 2005.

A native of Hammond, Louisiana, Hewlett is a 1972 graduate of Louisiana State University. In her 32-year career, she has held numerous leadership and management positions in ExxonMobil's Controllers and Information Systems organizations. She now is responsible for information-systems activities for the corporation worldwide.

Hewlett also has served in many capacities for industry and professional organizations, including the Research Board, the Conference Board's Council of Information Management Executives, the Working Council of CIOs, the Director and Information Systems Committee Chair for the Houston Chapter of the Financial Executives Institute, and the College Relations Committee of the Dallas Chapter of the Financial Executives Institute. In 1997, she was inducted into the YWCA's Academy of Women Achievers, one of the most prestigious honors for professional women in the United States.

Hewlett exudes confidence and warmth, and laughs easily during an interview with CIO Today. She wears authority as though she were born with it. Here she tells the inside story of one of the most powerful energy companies on Earth.

CIO Today: What are your top I.T. concerns?

Hewlett: The constant focus for me is maximizing I.T.'s contribution to ExxonMobil's bottom line. That's always a core objective. We constantly push to stay ahead of the competition, both in effectively leveraging information technology, and in efficient delivery of our core I.T. services. We want to bring the right technology to bear, at the right time, on the right business opportunities, to create the maximum competitive advantage for ExxonMobil and its affiliates.

The second major focus I would identify is people. We work continuously to attract, develop, and retain a high-quality, globally diverse work force that can respond successfully to the ever-changing demands of our global energy business. In the high-tech arena, you simply cannot rest on your laurels. We constantly monitor and assess the changing demands on our work force, and the ways in which we can better prepare them for the next big challenge.

One example is that we have increased our focus on areas like knowledge management and organizational learning. Our size has enabled us to take a fundamentally different approach than other companies. Instead of outsourcing, we have developed our own centers of expertise around the world.

CIO Today: Has the I.T. environment changed from five years ago?

Hewlett: Compared to five years ago [roughly the time of the Exxon and Mobil merger in 1999], our I.T. environment is substantially more global across our affiliates worldwide. Prior to the merger, most of the systems in the two companies were country-specific and/or business-unit-specific. Now our standardized desktop, server, and network infrastructure and shared applications enable the business units to reap many competitive advantages.

ExxonMobil has always placed an extremely high priority on security, and that emphasis has become even more important to our business in the last five years. During this period we've seen many areas where our standards become the industry norm; however, we have not stood still waiting for others to catch up. For example, we have increased our use of penetration tests to identify security issues before production deployment of new I.T. solutions. Data privacy is also a much bigger issue now than even five years ago. In some situations, data privacy compliance issues spill over to affect other areas, like security procedures and software-license compliance.

Every year, computer systems become more integrated into every aspect of our business; everything stops when the systems go down. ExxonMobil companies are making real-time decisions around the world based on the latest available data, so we continuously strive for 24/7 availability. Increased network speeds coupled with greater access to mobile devices and wireless connectivity have made both end users and support staff more mobile. Besides increasing end user productivity, these connectivity improvements enable us to implement "follow the sun" support models, providing real-time help 24 hours a day.

CIO Today: How have new legislative demands affected I.T.?

Hewlett: ExxonMobil's long-standing focus on security and controls in all aspects of I.T. helped position us well for a smooth Sarbanes-Oxley implementation. Other new legislative demands, particularly in the data-privacy and export-control arenas, have also demanded more work and

complicated the task of implementing global processes.

Given the evolving legislative environment, we'll continue to devote significant resources to data-privacy compliance, especially with respect to transnational data flows. Finally, regulatory standards, such as those recently implemented for the payment-card industry, have and will continue to have a sizeable impact on our business.

CIO Today: Which enterprise component or technology will be growing most in terms of its slice of your company's budget pie in the next 12 months?

Hewlett: We pride ourselves on our approach to I.T. governance, with active business and corporate management engagement in I.T. strategies, priorities, and funding levels. We accomplish a competitive cost structure through disciplined introduction of new technologies and rigorous management of core services. That being said, I would identify three growth areas in the next year: wireless communications, e-business, and service-oriented architecture.

Wireless technology is our biggest percentage growth slice. Due primarily to security concerns and the immaturity of the industry, we have invested in wireless technologies at a measured pace.

Another growth area is e-business. For us, this encompasses both internally facing intranet applications -- essentially knowledge-management software that benefits our people -- and externally facing Internet applications aimed at improving our interactions with our vendors, partners, and customers.

The final growth area I would cite is service-oriented architecture. We are still in the early stages of evaluation, but we believe there is real business improvement opportunity through better integration of applications and processes that can improve our speed and agility in responding to rapidly changing business environments.

CIO Today: Can you walk us through the decision-making process of implementing a large-scale business-process management initiative?

Hewlett: All business-process change initiatives are based on business needs, usually identified during the annual review of a five-year I.T.

strategy. The key elements of our approach are strong business sponsorship, profitable returns, and rigorous execution methodology.

We have a business I.T. manager aligned with each of our major business segments [Upstream, Downstream, and Chemicals], who works closely with the business to identify and prioritize the I.T. work necessary to achieving their respective business objectives. Major new initiatives receive executive business sponsorship. Large initiatives generated from our I.T. service lines, such as the recent global upgrade of our desktop infrastructure, are reviewed and endorsed by a global I.T. council composed of senior business executives.

Both business-generated and I.T. service-generated projects are analyzed to ensure they will generate acceptable economic returns, and then are subjected to a gating methodology that includes reviews and sign-offs by business and I.T. gatekeepers at critical intervals. When projects involving significant business processes change, we add business experts to the project teams to work change-management issues.

These people also develop the expertise to function as power users and change advocates after the project is completed. All major business-process change initiatives and I.T. projects are subject to a post-implementation reappraisal process to ensure we capture lessons learned for the future.

CIO Today: What are one or two software or hardware products your company uses that you would describe as outstanding?

Hewlett: I wouldn't label any particular hardware or software product "outstanding" in and of itself. What gets us to "outstanding" is the way we engineer and deploy combinations of hardware and software tools and processes to provide standard I.T. services that are secure, cost-effective, and reliable for ExxonMobil companies worldwide. For example, in 2001 we implemented a single desktop, featuring standard software components and standard desktop and notebook hardware. Therefore, we were able to more easily manage the next upgrade this past year.

In our data centers, we deploy high-reliability hardware and software solutions to support some of the world's largest ERP systems. We provide secure and reliable I.T. communications support for ExxonMobil companies worldwide by engineering and deploying fault-tolerant data networks. So for us the focus isn't so much on any particular piece of hardware or software; instead, we believe the way we deploy those hardware and software tools and the related standard processes with "flawless execution" has been what takes us from "good" to "outstanding."

CIO Today: Which emerging technology do you see as the most important to the enterprise?

Hewlett: I can point to a few emerging technologies we view as particularly high-value investments. To support our globally dispersed and increasingly mobile workforce, knowledge management, collaboration, and wireless communication technologies are more important to our success than ever. This far-flung network of people and machines makes identity-management and threat-management technologies incredibly important.

As I mentioned earlier, service-oriented architecture and its associated technologies are going to be critical to our ability to respond to business change and lower costs. Finally, new "smart sensor" technology is going to be a key enabler for improving areas like asset visibility in the supply chain, environmental monitoring, and maintenance management.

CIO Today: Where do you go to do your research on new technologies?

Hewlett: ExxonMobil has an annual and ongoing technology surveillance program with a scope of three to five years. Our intent is not to implement every new technology we find, but rather to identify and prioritize key technologies that we believe could have strong business value, and then "incubate" them in a controlled environment. This way we can position I.T. solutions ahead of the relevant business opportunities, rather than reacting after an opportunity is identified.

A short list of technology research sources would include advisory services, vendors and suppliers, consulting partners, academia, and venture-capital firms. Nondisclosure meetings with key vendors remain the best method for researching core strategic solutions. Conferences and consulting firms are useful for broader general-direction research.

In the end, though, it all comes back to our people. By providing an inclusive, creative, stimulating work environment, we encourage and empower our people to find and develop cutting-edge technologies that will help us outperform the competition. Success in our business requires performance over long time frames, and it's our people who will drive successful innovation over the long term.